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IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS

ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS: RELOCATION OF UKRAINE TO THE GROUP OF MEMBER STATES SET OUT IN PARAGRAPH 3 (c) OF GENERAL ASSEMBLY RESOLUTION 43/232

Note verbale dated 27 September 1995 from the Permanent Mission of Ukraine to the United Nations addressed to the Secretary-General

The Permanent Mission of Ukraine to the United Nations presents its compliments to the Secretary-General of the United Nations and has the honour to transmit herewith the text of a letter from His Excellency Mr. Leonid Kuchma, President of Ukraine, dated 25 September 1995 (see annex).

The Permanent Mission of Ukraine to the United Nations would be grateful if the text of the present note verbale and its annex could be circulated as an official document of the General Assembly under agenda items 117 and 138 (b).

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* Reissued for technical reasons.

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ANNEX

Letter dated 25 September 1995 from the President of the Ukraine addressed to the Secretary-General

I have the honour to address you in connection with the extraordinary situation in which Ukraine finds itself in the United Nations, which cannot but be cause for concern.

In recent years our State has chronically owed considerable sums in outstanding contributions for the financing of United Nations activities. The total arrears of Ukraine to the Organization have already reached $237.5 million. For Ukraine, the issue of its arrears to the United Nations has turned into an acute political problem, on the positive solution of which will depend our full-fledged membership in this Organization.

The substantial arrears accumulated by Ukraine to the United Nations constitute an abnormal phenomenon engendered by the outdated and imperfect system of apportionment of expenses of the Organization. In spite of certain positive changes, the rate of assessment of our State is still three times higher than its capacity to pay.

Ukraine has suffered more than any other country as a result of the redistribution of the excessive rate of assessment of the former Union of Soviet Socialist Republics. This action entailed an unprecedented 50 per cent increase in our State's rate of assessment to the regular budget of the Organization for the biennium 1993-1994, an increase not based on real economic indicators.

More than two years ago the Government of Ukraine submitted to the United Nations a request that its participation in the financing of peace-keeping operations be brought into conformity with its actual economic and financial resources. But even now, although most of the Member States recognize that the amount of assessment for Ukraine to United Nations peace-keeping operations is considerably overestimated, no adequate solution to the problem has yet been found.

Ukraine has embarked on the road of radical transformation of society in the direction of a free, market economy, but this road is neither straight nor smooth. To follow it requires considerable effort on the part of the Ukrainian people and additional financial resources for the implementation of reform.

In this difficult economic situation our State has taken an unprecedented step towards the world community and has become the first country in the world voluntarily to renounce nuclear weapons, having ratified the Treaty on the Non-Proliferation of Nuclear Weapons. Implementation of the Treaty requires considerable expenditure by Ukraine. We must also spend a large part of the State budget on the elimination of the consequences of the Chernobyl nuclear disaster and the implementation of the programme of complete decommissioning of the power plant. Ukraine also incurs considerable losses in connection with the implementation of sanctions imposed by the Security Council against the Federal Republic of Yugoslavia.

Under these circumstances Ukraine is not in a position to pay its outstanding contribution to the United Nations, which came about as a result of conditions beyond its control. The best confirmation of this is the approval by the General Assembly of decision 49/470.

I would like to stress that Ukraine has always supported United Nations activities, in particular by providing the necessary financial resources: since gaining its independence our State has contributed nearly $30 million to the Organization. If the rate of Ukraine's assessment had been fair - as, by the way, it had been determined to be by the Committee on Contributions in 1994 - and its participation in financing peace-keeping operations had corresponded to its capacity to pay, the payment of $30 million to the United Nations would have been sufficient for our country to be on the list of those Member States of the Organization which pay their contributions in full and on time.

We know you as an experienced and gifted politician and diplomat, as a person with great life experience. For this reason I have the honour to ask you to act as initiator and mediator in the settlement of the problem of Ukraine's arrears to the United Nations in order to review them and determine for our country an adequate amount of contribution by placing it in the group of "economically less developed Member States" in a special scheme of apportionment of expenses for the financing of peace-keeping operations.

I would like to express confidence that a positive solution to the problem to which I am drawing your attention will not only be useful for Ukraine, but will also result in the improvement of the financial situation of the Organization you head.

(Signed) Leonid KUCHMA